

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: 6/4/2013 Received By: mshovers
Wanted: As time permits Same as LRB:
For: Legislative Fiscal Bureau 7-7597 By/Representing: Olin (RR)
May Contact: Drafter: mshovers
Subject: Tax, Individual - income Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Legislative Fiscal Bureau
Carbon copy (CC) to:

Pre Topic:

LFB:.....Olin (RR) -

Topic:

Omnibus tax proposal; income tax checkoffs

Instructions:

See attached. Beginning in TY 2015, based on 2014 revenues, eliminate any checkoff that does not generate at least \$75,000

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 6/5/2013			_____			
/1	mshovers 6/10/2013	jdye 6/5/2013	jfrantze 6/5/2013	_____	mbarman 6/6/2013		
/2		kfollett 6/10/2013	jmurphy 6/10/2013	_____	srose 6/10/2013		

FE Sent For:

<END>

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12 MES 6/10/13
 FE Sent For: 1215f
 6/10
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/? mshovers

11 MES 6/5/13

6/5

FE Sent For:

<END>

60301
MES
Increase Historic Rehabilitation Credit. Beginning in tax year 2013, increase the percentage of the state supplement to the federal historic rehabilitation tax credit from 5% to 10% under the individual income tax and the corporate income and franchise tax.

60302
MES
Income Tax Check-offs. Provide that any income tax check-off that does not generate at least \$75,000 in a year would be repealed beginning in the following tax year. Specify that any check-offs would first be eliminated under this provision in tax year 2015, based on revenues generated in tax year 2014.

Income and Franchise Taxes on Businesses

Depreciation and Depletion. Federalize the treatment of depreciation, Section 179 expensing, and depletion for property placed in service on or after January 1, 2014, and specify that any federal changes regarding Section 179 expensing (but not depreciation or depletion) that are enacted after that date would be automatically adopted for state tax purposes. In addition, specify that for property placed in service before January 1, 2014, the taxpayer must consolidate the difference between federal tax basis and state tax basis into a single asset account that may be amortized/depreciated over five years (tax years 2014 through 2018).

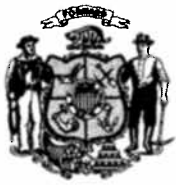
Business Tax Credits. Beginning in tax year 2014, modify the manufacturing and agriculture credit to specify that the credit could not exceed the amount of income or franchise tax paid on the income on which the credit is based.

Beginning in tax year 2013, allow shareholders of tax-option (S) corporations and members of limited liability companies (LLCs) to claim the research expense, research facilities, and related research expense and facilities credits for designing internal combustion engines and designing and manufacturing energy efficient systems and products.

Eliminate the following refundable income and franchise tax credits, beginning in tax year 2014: (a) dairy manufacturing facility investment; (b) meat processing facility investment; (c) food processing facility and food warehouse investment; (d) beginning farmer and farm asset owner; and (e) film production services and investment. Repeal the refundable woody biomass harvesting and processing investment credit in tax year 2015.

Eliminate the following nonrefundable credits beginning in tax year 2014: (a) super research and development; (b) post-secondary education; (c) dairy and livestock farm investment; (d) ethanol and biodiesel fuel pump installation; (e) biodiesel fuel production; (f) water consumption; (g) internet equipment; (h) relocated business; (i) research facilities; (j) community development finance; and (k) health insurance risk-sharing plan (HRSRP) assessment.

Beginning with the 2014 tax year, replace the refundable farmland preservation tax credit with a grant program administered by the Department of Agriculture, Trade, and Consumer Protection (DATCP) that would provide grants, equal to current credit amounts, to claimants based on the current tax credit criteria. Transfer \$20.9 million GPR from DOR to DATCP beginning in 2014-15, and retain the other provisions relating to the program adopted by the Joint Committee on Finance to date. In addition provide the Secretary of DOA with authority to



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0302/1

MES:.....

jld
RMR

LFB:.....Olin (RR) – Omnibus tax proposal; income tax checkoffs[✓]

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 40

1 At the locations indicated, amend the bill as follows:[✓]
2 **1.** Page 659, line 12:[✓] after that line insert:
3 “**SECTION 1349e.**[✓] 71.10 (5s) (e)[✓] of the statutes is created to read:
4 71.10 (**5s**) (e) For any taxable year that begins after[✓] December 31, 2014,
5 individuals may not make a designation for any checkoff which, in the previous fiscal
6 year, did not generate at least \$75,000[✓] of designations as certified by the secretary
7 of revenue under subs. (5) (h) 3.,[✓] (5e) (h) 2.,[✓] (5f) (h) 2.,[✓] (5fm) (h) 2.,[✓] (5g) (h) 2.,[✓] (5i) (h)
8 2.,[✓] (5j) (h) 2.,[✓] (5k) (h) 2.,[✓] (5km)[✓] (h) 2.,[✓] and (5m) (h) 2.[✓] Once a checkoff is affected by
9 this paragraph,[✓] no further checkoffs may be designated to that checkoff in any
10 taxable year.”[✓]

(END)

Shovers, Marc

From: Olin, Rick
Sent: Saturday, June 08, 2013 9:40 AM
To: Shovers, Marc
Cc: Reinhardt, Rob
Subject: FW: Income Tax Checkoffs

Marc:
On LRBb0302/1, please change "fiscal" to "tax" at the end of line 5. Thanks,
Rick

From: Reinhardt, Rob
Sent: Saturday, June 08, 2013 7:44 AM
To: Olin, Rick
Subject: RE: Income Tax Checkoffs

doesn't taxyear work better. Isn't that what the motion says?

From: Olin, Rick
Sent: Fri 6/7/2013 6:43 PM
To: Reinhardt, Rob
Cc: Shovers, Marc
Subject: Income Tax Checkoffs

Rob:

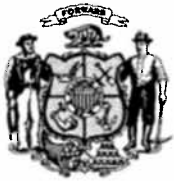
Re LRBb0302/1, the phrase "in the previous fiscal year" on lines 5 and 6 in combination with the use of December 31, 2014 on line 4, could cause the first determination to be made relative to checkoffs in FY 2013-14. An alternative would be to change "in the previous fiscal year" to "in the fiscal year ending on June 30 of the tax year", which would allow the first determination to be based on checkoffs in 2014-15. Which do you think is the intent of the authors? I'm thinking the way Marc has it drafted is probably OK, but thought it was worth asking.

Rick Olin, Fiscal Analyst

Wisconsin Legislative Fiscal Bureau

(608) 266-3847 (general)

(608) 267-7597 (direct)



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0302/2

MES:jld:jf

stays RMR

LFB:.....Olin (RR) – Omnibus tax proposal; income tax checkoffs

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ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 40

D-note

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8 2., (5j) (h) 2., (5k) (h) 2., (5km) (h) 2., and (5m) (h) 2. Once a checkoff is affected by
9 this paragraph, no further checkoffs may be designated to that checkoff in any
10 taxable year.”.

11

(END)

D-NOTE

Date

LRBb 0302/2dn
MES: kjf

Rick Olin: Did you check with DOR? This is probably
OK, but the term “tax year” is hardly used in the
statutes, only twice in ch. 71. Am & f

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0302/2dn
MES:kjf:jm

June 10, 2013

Rick Olin:

Did you check with DOR? This is probably OK, but the term "tax year" is hardly used in the statutes; only twice in ch. 71.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0302/2
MES:jld:jm

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9 this paragraph, no further checkoffs may be designated to that checkoff in any
10 taxable year.”.

11 (END)